

**ASSEMBLY BILL**

**No. 1690**

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**Introduced by Assembly Member Villines**

February 23, 2007

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An act to amend Section 1342.1 of the Health and Safety Code, relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

AB 1690, as introduced, Villines. Health care service plans.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the regulation of health care service plans by the Department of Managed Health Care. Existing law states legislative findings regarding the growth of health care service plans in California and the need for further data regarding the effect of health care service plans.

This bill would delete obsolete provisions regarding the creation and meeting of a task force to research certain aspects of health care service plans.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 1342.1 of the Health and Safety Code is
- 2     amended to read:
- 3     1342.1. ~~(a)~~—The Legislature finds and declares all of the
- 4     following:
- 5     ~~(1)~~

1 (a) More than 16 million Californians are enrolled in health  
2 care service plans, and this number is likely to grow significantly  
3 over the next decade.

4 (2)

5 (b) Although the Knox-Keene Health Care Service Plan Act of  
6 1975 contains many consumer protections, there is interest on the  
7 part of consumers and providers to determine if additional  
8 protections may be necessary.

9 (3)

10 (c) Health care service plans have many different structures and  
11 payment mechanisms, and there is interest on the part of health  
12 care service plans, providers, health professions educators, and  
13 consumers as to whether and how these structures and payment  
14 mechanisms affect quality and cost.

15 ~~(b) The Governor shall convene a task force on health care~~  
16 ~~service plans, composed of 30 members, to research all of the~~  
17 ~~following by January 1, 1998:~~

18 ~~(1) The picture of health care service plans, as it stands in~~  
19 ~~California today, including, but not limited to, the different types~~  
20 ~~of health care service plans, how they are regulated, how they are~~  
21 ~~structured, how they operate, the trends and changes in health care~~  
22 ~~delivery, and how these changes have affected the health care~~  
23 ~~economy, academic medical centers, and health professions~~  
24 ~~education.~~

25 ~~(2) Whether the goals of managed care provided by health care~~  
26 ~~service plans are being satisfied, including the goals of controlling~~  
27 ~~costs and improving quality and access to care.~~

28 ~~(3) A comparison of the effects of provider financial incentives~~  
29 ~~on the delivery of health care in health care service plans, other~~  
30 ~~managed care plans, and fee-for-service settings.~~

31 ~~(4) The effect of managed care on the patient-physician~~  
32 ~~relationship, if any.~~

33 ~~(5) The effect of other managed care plans on academic medical~~  
34 ~~centers and health professions education.~~

35 ~~(e) The task force shall be composed of equal representation~~  
36 ~~from the following groups:~~

37 ~~(1) Health care service plans, including at least one local~~  
38 ~~initiative under contract with the State Department of Health~~  
39 ~~Services as part of the two-plan model for Medi-Cal managed care,~~  
40 ~~and at least one disability insurer.~~

- 1   ~~(2) Employers who purchase health care.~~
- 2   ~~(3) Health care service plan enrollees.~~
- 3   ~~(4) Providers of health care.~~
- 4   ~~(5) Representatives from consumer groups.~~
- 5   ~~(d) The members of the task force shall be appointed as follows:~~
- 6   ~~(1) The Senate Committee on Rules shall appoint five members,~~  
7   ~~one from each of the categories set forth in subdivision (c).~~
- 8   ~~(2) The Speaker of the Assembly shall appoint five members,~~  
9   ~~one from each of the categories set forth in subdivision (c).~~
- 10   ~~(3) The Governor shall appoint 20 members, four from each~~  
11   ~~of the categories set forth in subdivision (c).~~
- 12   ~~(e) Notwithstanding any other provision of law, the members~~  
13   ~~of the task force shall receive no per diem or travel expense~~  
14   ~~reimbursement, or any other expense reimbursement.~~